House Human Services

February 28, 2023

ADVOCACY UPDATE
TAHP

Roll Call

Frank, James B. - Chair - Present
Rose, Toni - Vice Chair - Present
Frank, James B. - Present
Klick, Stephanie - Present
Noble, Candy - Present
Campos, Elizabeth - Present
"Liz" Hull, Lacey - Present
Manuel, Christian - Present
Ramos, Ana-Maria - Present
Shaheen, Matt - Present

Resources

Hearing notice
Video of hearing
HHSC presentation materials

Invited testimony

Texas Health and Human Services Commission

Cecile Young, Executive Commissioner (04:30)
The agency now has 37,000 employees.

Frank: Big picture of agency history? Lots of new folks here.
Young: The agency went from 5 agencies into 1 and some programs were moved around. DARS and DADS remained with the HH System. Direct client services stayed with HHSC. Then DFPS was pulled out as a stand-alone agency a few years later.

Trey Wood, Chief Financial Officer (10:30)

www.tahp.org
(512) 476-2091
jdudensing@tahp.org

2020-23 have had larger appropriations as a result of the public health emergency (PHE).

Frank: Supplemental?
Wood: $2.9B in General Revenue, down from $3.7B in GR. $7B in All Funds.
Wood: Client services makes up about 54% of the agency's budget. SNAP benefits are off budget and flow through. They are 100% federal. Other off budget items include uncompensated care pool for hospitals.
Frank: What % of the supplemental payments go to hospitals?
Wood: Most of that number.

Wood: 8,000 FTEs for integrated eligibility and enrollment. Regulatory FTEs are about 2,500. Vacancy rate is about 15% across the agency. Budgeted for 42,000 FTEs. Have 38,500 FTEs and 33,000 are currently filled.

Frank: What happens to money at state hospitals that goes unspent?
Wood: It goes to the ESF.
Young: Because we have struggled hiring at state hospitals, we've increased salaries. That began this month.

Wood: Medicaid is the largest cost growth area in the state. Total spend has increased in recent years because of the PHE because we have not been able to adjust the rolls.
Frank: The increased population has largely been healthy, right?
Wood: Right, that's why cost has gone down but population has gone up.

Wood: 53% increase in Medicaid caseload. The unwinding starts April 1. 5.9 million individuals will need to be redetermined. It's the biggest undertaking the agency has ever done.
Ramos: Will an individual's coverage be terminated before they are allowed to renew? Or do they stay covered until a caseworker gets to them?
Wood: They stay covered. But if the individual never responds to our requests for information, they will be terminated.
Young: We have done extensive partnership work here.
Ramos: So is it about 2 million that will be dropped?

Wood: 2.7 million is what we estimate we need to look at. After all this is done, we estimate about 4 million Texans will remain eligible. So, yes, that's about 2 million.
Ramos: How many of this will be children? That will be affected?
Wood: We don't know yet.

Frank: Before the PHE, you were doing redeterminations. And it used to be about 4 million. How often?
Wood: Every year.
Frank: So now it's 6 million people and you have 14 months? I mean, it's not like we've never done redeterminations. This is about a 50% increase in output.
Wood: We do have an EI related to this, including more temporary staff, vendors to support this, MAXIMUS 2-1-1 improvements.

Manuel: Is there any kind of buffer for people to make sure they are still getting services? How do we address the gap? How do we make sure people don't owe the state money?
Wood: There is no recoupment to Texans.

Shaheen: 2-1-1 was woefully unprepared.
Wood: We have been making a lot of improvements. Folks don't have to call in to reset their passwords anymore–that just went live.
Shaheen: Just the fact that you just did that shares me. I really hope you have a team that is looking to redesign more of these processes.

Frank: Can we see cost growth by type of client? I want to know if it's because you're only adding healthy lives. I want to see the "real cost." Because in the last 10 years, we're only adding healthy kids in the population. Because if it is true, the cost is really being added to people paying for insurance.

Ramos: Annual income levels?
Stephanie Stephens, State Medicaid Director (36:15): In addition to meeting income and eligibility, you have to be part of a group. Different by age, but about 133% children 6-18. Family of 3 is about $25,000 annually.
Ramos: Numbers? I'm concerned about individuals who received temporary stimulus money that has made so many more ineligible.

Wood: That 14% cost growth won't change those eligible. That's how much more it costs to provide services to that same population.

Wood: The largest population is children: 69% of caseload, but only 30% of total spend. Age and disability is 22% of caseload, but 60% of total spend.

Jordan Dixon, Chief Policy and Regulatory Officer (42:00)
With the merge, we oversee long term regulation, acute care. About 30 different provider types from 3 different agencies. Biggest department is centralized compliance and intake. Also take in allegations of abuse and neglect–except at children facilities that go to DFPS. We also do regulatory enforcement, like a survey or investigating a complaint and recommending a plan of action. Enforcement is now centralized and not in regions so that the same actions are taken across the state and don't vary by region.

Frank: Over 600 regulated operations?
Dixon: Hospitals, NFs, waiver providers, daycares, etc.

Ramos: So what is it in terms of case loads?
Dixon: It varies. There are different requirements and levels of oversight. So home health is only three years, acute care is complaint-based.

Manuel: You mentioned that unused funds get returned to the state. Can you get more funds if a place has a lot of complaint?
Dixon: We do assign staff where needed based on prioritization requirements.
Manuel: So could you add more temporary FTEs?
Dixon: Potentially within the agency we could move FTEs around, but that doesn't happen often. We have a 10% vacancy rate but where we suffer is turnover. Training is 3-9 months. Increased salaries help. I can't really ask for FTEs if I can't fill the spots now. So, for example, I only have 60% of staff in the field because 28% of them are still in training. Our EI 2, which the base bills give us 15% increase, but we are asking for market rate. Which is Texas Workforce Wages. It's $33.84 GR.
Manuel: What is base pay right now?

Dixon: Investigator 6, that has 30% turnover, is $56,179. Market rate is $71,000. And caseload is higher because of turnover. We also struggle with nurses, which is not unique to us, and so we are all competing.
Manuel: Is the turnover higher in rural or urban areas? (Frank also interested.)
Dixon: We'll pull all this together.
(Discussion of approaches on hiring, innovations in telework)

Dixon: Long-term care is the largest program in regulatory. 118,000 certified nurse aides. (Discussion of daycare licensing, investigations, and complaints. No questions.) After COVID, CMS put a 6-month hold on long-term care investigations that weren't priority 1. HHSC didn't do recertifications for about a year because priority 1 was everything related to COVID. Then they experienced a staff shortage. Then they saw an 8% increase in intakes and more than 10% on non-priority. So all long term care providers have a long log of surveys, complaints, or both.
Noble: I'm alarmed. We heard of the backlog two years ago.
Dixon: We requested and received 32 FTEs, but they weren't funded. We have cleared the backlog of surveys in assisted living facilities. And complaints have increased by 12%.
Frank: If you didn't have a backlog, are you staffed to handle the load today? Is the problem trying to go backward? Assuming it takes longer to investigate old complaints. This is the first time I've heard of the CMS decision. At some point do we stop looking backward and just look at newer cases?
Dixon: The backlog of complaints means it hasn't been closed for 30 days. Priority 1, we do get out there within 24 hours. But then they have to keep moving on to the next P1. Most but not all are being closed.
Frank: Do you need legislative authority to address this?
Dixon: We'll talk to legal because we are required to investigate based on statute.
Manuel: What was your backlog prior to 2020?
Dixon: Prior to COVID, we had less than 200. Now we have 10,000.

Texas Department of Family and Protective Services

Recap not included.

Texas Behavioral Health Executive Council

Recap not included.